

BRIEFLY...

Highlights of Report Number: 04-04-004-03-315, a report to the Assistant Secretary, Employment and Training Administration. March 26, 2004

WHY READ THE REPORT

In February 2001, President Bush declared a major disaster in 49 Florida counties due to damaging effects from freezing weather on agricultural crops, commercial fishing and fish farming. The declaration allowed the Federal Emergency Management Agency (FEMA), Department of Homeland Security to provide Florida with Disaster Unemployment Assistance (DUA). Applicants applied for DUA through Florida's Agency for Workforce Innovation (FAWI), the State's unemployment security agency.

To receive DUA, claimants must show they are unemployed due to a major disaster and are not eligible for benefits under the State's regular unemployment program.

WHY OIG CONDUCTED THE AUDIT

At FEMA's request, the OIG audited \$3.04 million in claims charged to FAWI's DUA grant to determine if issues of timeliness and/or eligibility existed. We found that FAWI improperly applied eligibility and filing guidelines resulting in payments to claimants who: (1) did not apply for benefits timely, (2) were not unemployed due to the disaster, or (3) were not required to provide adequate documentation of their continuing eligibility for benefits or were paid because of other administrative errors.

READ THE FULL REPORT

The full report, including the scope, methodology, and agency response, is available on the Internet at:

<http://www.oig.dol.gov/public/reports/oa/2004/04-04-004-03-315.pdf>

MARCH 2004

IMPROPER FLORIDA DISASTER UNEMPLOYMENT ASSISTANCE ESTIMATED AT \$1.67 MILLION

WHAT OIG FOUND

We reviewed data files and related documentation for 420 randomly sampled claimants chosen from among 1,842 individuals who were paid benefits. We found that over 70 percent (300) of the sampled claims were improperly paid, many for more than one reason. Specifically, we found that FAWI improperly paid claimants who:

- did not apply for benefits on time,
- were not unemployed due to the disaster, or
- were not required to show adequate documentation of their continuing eligibility for benefits or were paid due to other administrative errors.

Based on a statistical projection from our sample, we estimated the total amount of improper payments was at least \$1.67 million.

WHAT OIG RECOMMENDED

The law and regulations do not allow DOL to demand that FAWI repay improperly disbursed benefits, unless FAWI collects the money from the recipient. Improper charges to the grant resulted from FAWI's policies and inadequate oversight, not the claimants' actions. Therefore, we are not questioning costs for recovery from the claimants.

However, we recommended that the Assistant Secretary for Employment and Training ensure that Florida establishes administrative policies and procedures that comply with Federal filing and eligibility guidelines.

FAWI disagreed with two of the three report findings. However, the agency has agreed to take action to address recommendations related to these findings.